

REGISTERED COMPANY NUMBER: 04115126 (England and Wales)
REGISTERED CHARITY NUMBER: 1087318

The Swanage Railway Trust

(A Company Limited by Guarantee)

Consolidated Accounts

For the year ended 31 January 2023

**The Swanage Railway Trust
For the Year Ended 31 January 2023**

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The Swanage Railway Trust
Charity information

COMPANY REGISTRATION NO: 4115126

CHARITY NO: 1087318

REGISTERED OFFICE: Station House
Swanage
Dorset, BH19 1HB

DIRECTORS AND TRUSTEES
(Collectively known as the
Council of Management)

G C Johns (Chairman)
R Coldham (Deputy Chairman) (Resigned October 2022)
A L Moore (Resigned December 2022)
E M Sellen
N S C Coram (Resigned October 2022)
P N Sills
T J Parsons
W S Trite (Resigned October 2022)
M A Whitwam
G W Carter (Resigned October 2022)
W Sheret
R Patterson (Appointed April 2022)
F Roberts (Appointed October 2022)
B Ford (Appointed October 2022)
C Collins (Appointed October 2022)
M Gould (Appointed Nov 2022) (Resigned January 2023)

PROFESSIONAL ADVISERS

BANKERS

Barclays Bank Plc
Barclays House
Wimborne Road
Poole
Dorset BH15 2BB

AUDITORS

Ward Goodman Audit Services Limited
4 Cedar Park, Cobham Road
Ferndown Industrial Estate
Wimborne
BH21 7SF

**The Swanage Railway Trust
Chairman's Strategic Report
For the Year Ended 31 January 2023**

We anticipated after the impact of the pandemic between 2020 and 2022 that trading in 2022/23 would enjoy a bounce back to pre Covid levels enabling us to focus on some key matters that had been put on hold while we addressed the impact of the pandemic. Regrettably due to factors outside our control the year under review, and represented by these accounts, turned out to be as challenging as any of the preceding years.

The war in the Ukraine and inflation badly affected our business. The rapid escalation of the war caused immediate increases in coal prices as supplies reduced. The impact being a doubling in price per ton up to £405 per ton over the course of a few months. Similarly the impact of the war on energy production costs and other factors caused considerable inflationary pressures on our own costs. Linked to this projected significant price rises especially for home utilities affected our customers confidence and discretionary spend that led to a significant reduction in numbers using the Railway - down 25% in comparison with 2019. Events during the year, 'Roads to Rail' and the return of Flying Scotsman, provided welcome boosts to our visitor numbers and finances and made significant contributions towards reducing the trading deficit. In the second half of the year there was considerable focus on reducing costs and a voluntary redundancy programme held to remove any non-business critical posts in much the same way as the earlier programme conducted during 2020.

The result of our own income reducing and our costs increasing explains the results posted by the Swanage Railway Company in these accounts. It is not a good place to be particularly as forecasting with certainty is difficult at present and will require considerable commitment and confidence to turn this position around without a long term negative impact on the Railway.

These challenges have been felt across the whole heritage railway sector and are causing railways to reevaluate their offer in a bid to maintain relevance and financial stability.

It has been noted before in these reports that the Swanage Railway's business model needs changing to produce a surplus for re-investment. Indeed that need was re-stated last year but meaningful progress slowed whilst the need to manage the business through these challenging trading times became our focus.

The Trust has again supported the Company with a winter seasonal loan of £500,000 to enable activities to continue. This loan will be repaid, as has been the practise in recent years, with interest over the course of the summer. It is a necessary and vital means of support to cover lean trading over the winter period.

We continue to enjoy the support of a many volunteers and members of paid staff who gave the Railway incredible support over the year enabling it to operate safely and to provide an attractive experience for our customers. The Trustees remain very grateful to each and every one of you for your commitment and support.

**The Swanage Railway Trust
Chairman's Strategic Report
For the Year Ended 31 January 2023**

Looking forward the trading experience in 2022/23 caused a more cautious approach to be taken for this year. The Company factored in to its plans further cost reductions including postponing non-critical projects in order to target a positive outcome. Considerable focus is being given to additional special events including the return to steam of our own locomotive T3 563 and the re-introduction of the trial diesel service to Wareham. Attention to the condition of rolling stock has been prioritised and other plans in hand to improve the quality of our customers experience. Elsewhere across the Railway maintenance and repair continues where essential to ensure that we can operate safely. More work is required to improve our catering offer and support to the shop to continue to grow their contribution to our customers experience and our income. There are further opportunities to pursue when resources allow. Both Museums, at Corfe Castle and Norden, are gradually becoming attractions in their own right adding variety and interest for customer as well as providing further volunteering opportunities.

We still need to pick up the challenge of moving to a sustainable basis and we hope that we will make progress with this during the year. Budgets and Business plans now contain this as the overall objective. A new strategic plan will be prepared, after consultation, that further cements sustainability into our thinking.

The Trustees recently, having reviewed the situation, are recommending to Members the implementation of a single larger charitable Railway Company with the existing Trust solely focused on receiving and passing on legacies. The new Board will consist of skilled and experienced Directors voted for by the Members.

We are making progress with preparing for the Carriage Shed construction at Herston and construction is anticipated, funds permitting, starting in January 2024 with completion by Easter.

The unpredictable position at present means that to a degree we should be prudent, maintaining our activities and focusing on remaining viable until better conditions return. That does not stop us though from planning to meet our needs for better facilities and we will continue to do that and attempt to secure grant aid support for change to happen as soon as practicable.

Finally, the Trustees would like to express their thanks to Andrew Moore who decided to step down as a Trustee and from his role as Honorary Treasurer to the Trust and Finance Director of the Swanage Railway Company. He performed these roles successfully for us over many years and we are grateful to him for the commitment he gave the Railway over time.

Thank you again for your ongoing support.

Gavin Johns
Chairman, SRT

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2023**

The directors are pleased to present their report together with the consolidated financial statements of the charity and its subsidiary company for the year ended 31 January 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Swanage Railway Trust is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. Its Charity Number is 1087318 and its Company Number is 4115126.

The legal and administrative information set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP FRS 102).

MANAGEMENT

The Swanage Railway Trust has a single management body, the Board of Directors (also known as the Council of Management), elected by the members for a two year period. Fifty percent of the directors are required to retire by rotation each year at the Trust's Annual General Meetings.

The Council of Management delegate day to day responsibilities of managing the Railway to The Swanage Railway Company's Senior Management Team, overseen by the Board. The Directors consider the following people to be part of Key Management.

Directors;

Andrew Moore (Director) Resigned December 2022
Kevin Potts (Director)
Elizabeth Sellen (Director)
Marcus Alldrick (Director) (Appointed June 2022)
Gavin Johns (Director)
Keith Usher (Director)
Nathan Au (Director)
Trevor Parsons (Director)
Robert Patterson (Director) (Appointed April 2022)
Randy Coldham (Director) (Appointed April 2022 and Resigned October 2022)

Senior Managers;

Lorna Lock (Finance and Personnel Manager)
James Cox (Locomotive Carriage & Wagon Manager)
Ashley Haines (Operations Manager)
Martin Trott (Passenger Services Manager)
Barry Light (Permanent Way Manager)(Resigned May 2022)
Graham Froud (Steam Locomotive Superintendent)
Andrew Haddon (Safety and Compliance Manager)

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2023**

Key Management Personnel are employed by the Swanage Railway Company and are remunerated in accordance with the pay structures established by its Directors who act with the authority delegated by the Council of Management.

DIRECTORS MEETINGS

The Council of Management meets 8 times a year.

DIRECTOR INDUCTION AND TRAINING

The directors of the charitable company are the trustees for the purpose of charity law and throughout this report are referred to as the directors.

The Directors of the Trust are elected by the membership of the Trust or, in the case of the Secretary and Treasurer, can be appointed ex-officio in order to ensure that the Board has suitably experienced persons in these positions. All Directors of the Trust are members of the Trust and as such are familiar with the overall goals of the Trust. A formal review of the Trust policies is held annually at the meeting following elections to ensure that these remain appropriate and that the new Directors are familiar with them.

The Swanage Railway Trust provides a briefing pack to members considering standing for election to the Council of Management. This pack includes, inter-alia, a copy of the Trust's Articles of Association, a copy of the Trust's formal policies and a copy of CC3 – The Charity Commission's guide for new Trust Directors. Successful candidates are asked to confirm receipt of these in writing and that they understand the information contained therein. Any changes to the guidance issued by the Charity Commission will be considered by the appropriate director, and where necessary, discussed at a meeting of the Council of Management.

OBJECTIVES AND ACTIVITIES

The objectives of the Swanage Railway Trust, as set down in its Memorandum of Association, is to study, compile records on and acquire, restore, preserve and maintain railway lines, locomotives, rolling stock and other items of railway interest, and to provide training and instruction in such activities and in particular but without prejudice to the generality of the foregoing those associated with the Isle of Purbeck, the former London and South Western Railway, other Railways which were in existence in Southern England during and before the year of nineteen hundred and twenty-three, the Southern Railway, and the Southern Region of British Railways, and to enter in such agreements and to take all such steps as may be necessary for these purposes, and to organise, sponsor and support displays and such other shows and events for the provision and stimulation of information, education and interest in such vehicles and other items of railway interest.

The SRC Board use annual passenger numbers on the railway to measure the performance of the Group.

A review of business describing how objectives and activities have been achieved in the current year has been included in the Chairman's Strategic Report which starts on page 4.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2023**

PUBLIC BENEFIT

The directors have given due regards to the requirement of the Charity Commission with respect to public benefit.

RISK MANAGEMENT

The directors have considered the major risks that the Swanage Railway Trust and its trading subsidiary face when developing strategies and strategic plans for the future. The major risks are lack of funding to prevent the Trust from achieving its objectives and operational issues for the trading subsidiary which will be enhanced in the future with operations to and from the main line. These risks may cause a delay in the Trust achieving its objectives or curtail the operations of the trading subsidiary. Where appropriate, directors obtain the assistance of experts in the various areas that are a risk to the Trust or its trading subsidiary.

RELATED PARTIES

The charity acknowledges a relationship with:-

The Swanage Railway Company Limited
Southern Locomotives Hire Ltd
Southern Locomotives Engineering Limited
71A Locomotive Ltd
Class 33/1 Preservation Co. Ltd
JMB Locomotive Services
Drummond Locos Ltd

The Swanage Railway Trust holds a controlling interest in the Swanage Railway Company Limited, which assists the Trust in meeting its objectives by operating the Swanage Railway and undertaking the associated trading activities. Whilst the company has a paid staff it is still heavily dependent on the supply of volunteers by the Trust for the operation of its train services and the maintenance and development of the railway.

A number of the directors of the Swanage Railway Trust are also directors of the Swanage Railway Company Limited. It is current Trust policy that the majority of voting Directors of the Swanage Railway Company are also Directors of the Swanage Railway Trust.

VOLUNTEERS

The charity is heavily dependent on the volunteers who perform many different tasks to assist with the management, administration, maintenance and operation of the railway.

FUNDRAISING STANDARDS INFORMATION

The charity does not use professional fundraisers or direct mail. Members receive regular communication through the magazine and appeal information is on the charity's website. The trustees are satisfied that there is no undue pressure on members of the public to donate to The Swanage Railway Trust.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2023**

FINANCIAL REVIEW

The level of consolidated income has decreased largely because of the reduction of capital grants from outside organisations which were made to the trading subsidiary as those projects near completion although this is matched by a decrease in capital and revenue expenditure. Legacy income in the Trust was also substantially greater this year. The Trust has continued to make grants to the Swanage Railway Company Limited for the restoration and construction of railway buildings, track maintenance, locomotives and rolling stock which are part of the objectives of the Trust.

Consolidated funds total £6,396,243 at 31 January 2023 (2022 - £6,513,748). There is a requirement for a high level of reserves given the substantial investment by the Trust and its subsidiary in fixed assets.

RESERVES POLICY

The Group has a requirement for a high level of reserves due to its large investment in fixed assets and its trading subsidiary and for setting aside resources for future projects.

Where funds have been raised for specific projects, the Group maintains separate funds either as designated or restricted funds – see notes 14 and 15.

The available reserves of the Group are as follows:

Total consolidated funds at 31 January 2023	6,396,243
Less:-	
- Tangible Fixed assets	5,599,628
- Fixed asset investments	3,486
- Restricted funds held in bank balances	244,795
- Designated funds	801,419
	<hr/>
	(253,085)

Free reserves are calculated by deducting fixed assets from the unrestricted (and undesignated) reserves held at the year-end. The trustees are able to undesignate reserves if required.

Funds in relation to fixed assets would only be released on the sale of those assets.

The Group will continue to invest in fixed assets and locomotive overhaul in 2023/24.

Up to December 2022 the Directors review the finances of the Trust and its Subsidiary each month at the Council of Management meetings.

The Finance Advisory Group, consisting of SRC Directors, SRT Trustees and other members, is in place and meet on a regular basis throughout the year to advise the Board and Trustees on financial matters.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2023**

FUTURE PLANS

The Group intends to use its strategic objectives to utilise its resources and to develop its museum facilities and collections and to restore further items of equipment appropriate to its need for use on the Swanage Railway.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including income and expenditure of the charitable company and the group for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

**The Swanage Railway Trust
Directors Report
For the Year Ended 31 January 2023**

In so far as the directors are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware;
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The auditors, Ward Goodman, have expressed their willingness to accept their proposed re-appointment at the forthcoming Annual General Meeting.

Approved by Order of the Directors



Gavin Johns
Chairman, SRT

Date 22 August 2023

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2023**

Opinion

We have audited the consolidated financial statements of The Swanage Railway Trust (the parent company and its trading subsidiary, together 'the group') for the year ended 31 January 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets and the consolidated statement of cashflows and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 January 2023 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2023**

Other information

The trustees and directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Director's Responsibilities set out on page eleven, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2023**

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities including fraud. The extent to which are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and the sector in which they operate. We determined that the following laws and regulations were most significant: the Companies Act 2006, the UK Corporate Governance Code, UK corporate taxation laws and UK government Covid-19 support schemes.
- We obtained an understanding of how the Group are complying with those legal and regulatory frameworks by making inquires to the management. We corroborated our enquiries through our review of board minutes and papers provided to the Committee of Management.
- We assessed the susceptibility Group's financial statements to material misstatement, including how fraud might occur.

Audit procedures performed by the engagement team included:

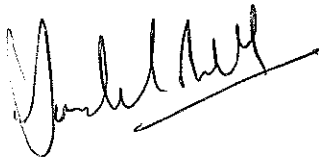
- 1) Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- 2) Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- 3) Challenging assumptions and judgments made by management in its significant accounting estimates;
- 4) Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- 5) Assessing the extent of compliance with the relevant law and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors of
The Swanage Railway Trust
For the Year Ended 31 January 2023**

Use of our report

This report is made solely to the group and charitable company. Our audit work has been undertaken so that we might state to the group and charitable company those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and charitable company as a body, for our audit work, for this report, or for the opinions we have formed.



Ian M Rodd BSc FCA FCCA (Senior Statutory Auditor)
For and on behalf of Ward Goodman Audit Services Limited
Statutory Auditor
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Date: 23/8/2023

The Swanage Railway Trust
Consolidated Statement of Financial Activities
For the Year Ended 31 January 2023
(Incorporating the Consolidated Income and Expenditure Account)

	Unrestricted funds 2023	Restricted funds 2023	Total 2023	Total 2022
Notes	£	£	£	£
Incoming Resources				
Voluntary Income:				
Appeals, donations, legacies and covenants	281,939	154,715	436,654	411,617
Grant income	-	1,929	1,929	493,467
Activities for generating funds:				
Membership subscriptions	42,927	-	42,927	39,263
Fund raising and other income	21,306	-	21,306	24,501
Trading income	2,905,971	-	2,905,971	2,350,587
Investment income	1,756	101	1,857	75
Government grants	-	-	-	58,252
Total Incoming Resources	3,253,899	156,745	3,410,644	3,377,762
Resources Expended				
Cost of generating funds				
Trading expenses	3,406,945	-	3,406,945	2,543,271
Fundraising costs	5,720	-	5,720	8,952
Charitable activities	184,577	37,939	222,516	176,769
Total Resources Expended	3,597,242	37,939	3,635,181	2,728,992
Net Incoming Resources	(343,343)	118,806	(224,537)	648,770
Provision for deferred taxation	108,132	-	108,132	(142,403)
Revaluation adjustment	(1,100)	-	(1,100)	1,046
Transfers between funds	(2,983)	2,983	-	-
Net movement in funds	(239,294)	121,789	(117,505)	507,413
Funds at 1 February 2022	5,740,290	773,458	6,513,748	6,006,335
Funds at 31 January 2023	5,500,996	895,247	6,396,243	6,513,748

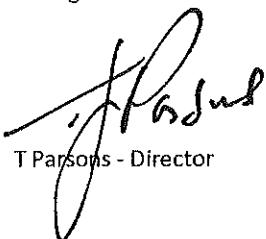
**The Swanage Railway Trust
Consolidated Balance Sheet
As at 31 January 2023**

		2023	2022
		s	£
Fixed Assets	Notes		
Tangible Fixed Assets	7	5,599,628	5,437,437
Fixed asset investments - listed	9	3,486	4,586
Total fixed assets		<u>5,603,114</u>	<u>5,442,023</u>
Current Assets			
Stocks	10	84,055	73,237
Debtors and prepayments	11	387,006	102,783
Cash at bank and in hand		1,517,852	1,902,491
		<u>1,988,913</u>	<u>2,078,511</u>
Creditors: Amounts falling due within one year			
Creditors and accruals	12	<u>(877,327)</u>	<u>(529,674)</u>
Net Current Assets		1,111,586	1,548,837
Total assets less current liabilities		<u>6,714,700</u>	<u>6,990,860</u>
Creditors: Amounts falling due after more than one year	12	(284,185)	(334,709)
PROVISIONS FOR LIABILITIES		(34,272)	(142,403)
Net Assets		<u>6,396,243</u>	<u>6,513,748</u>
Unrestricted Funds;			
General funds		4,328,375	4,772,346
Designated funds		801,419	596,742
Revaluation funds		371,202	371,202
	14	<u>5,500,996</u>	<u>5,740,290</u>
Restricted funds	14	895,247	773,458
Total funds	15	<u>6,396,243</u>	<u>6,513,748</u>

REGISTERED COMPANY NUMBER: 04115126 (England and Wales)

REGISTERED CHARITY NUMBER: 1087318

These financial statements were approved by the Directors and authorised for issue on 22 August 2023, and are signed on their behalf by:


T Parsons - Director


G C Johns - Director

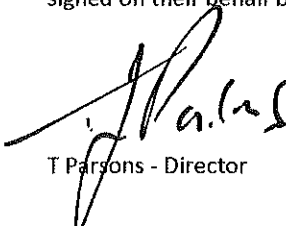
**The Swanage Railway Trust
Balance Sheet
As at 31 January 2023**

	Notes	2023 £	2022 £
Fixed Assets			
Tangible Fixed Assets	7	1,340,541	1,132,853
Fixed asset investments - listed	9	3,486	4,586
Investment in subsidiaries	8	470,605	470,605
Total fixed assets		<u>1,814,632</u>	<u>1,608,044</u>
Current Assets			
Stocks	10	-	-
Debtors and prepayments	11	444,962	172,622
Cash at bank and in hand		1,394,782	1,385,602
		<u>1,839,744</u>	<u>1,558,224</u>
Creditors: Amounts falling due within one year			
Creditors and accruals	12	(349,541)	(214,113)
Net Current Assets		1,490,203	1,344,111
Total assets less current liabilities		<u>3,304,835</u>	<u>2,952,155</u>
Creditors: Amounts falling due after more than one year	12	(106,582)	(53,076)
Net Assets		<u>3,198,253</u>	<u>2,899,079</u>
Unrestricted Funds;			
General funds		1,501,587	1,528,879
Designated funds		801,419	596,742
Revaluation funds		-	-
	14	<u>2,303,006</u>	<u>2,125,621</u>
Restricted funds	14	895,247	773,458
Total funds	14	<u>3,198,253</u>	<u>2,899,079</u>

REGISTERED COMPANY NUMBER: 04115126 (England and Wales)

REGISTERED CHARITY NUMBER: 1087318

These financial statements were approved by the Directors and authorised for issue on 22 August 2023, and are signed on their behalf by:


T Parsons - Director


G C Johns - Director

**The Swanage Railway Trust
Consolidated Cashflow Statement
For the Year Ended 31 January 2023**

	Note	2023 £	2022 £
Net cash flows from operating activities	1	18,838	1,055,428
Cash flows from investing activities			
Purchase of equipment		(389,636)	(225,474)
Interest received		1,857	75
Proceeds from sale of fixed assets		29,000	3,835
{Gains}/Losses on revaluation of investments		1,100	(1,046)
Net cash flows from investing activities		<u>(357,679)</u>	<u>(222,610)</u>
Cash flows from financing activities			
Capital repayment of Hire Purchase leases		-	-
New loans in the year		-	100,000
Interest paid		-	(6,000)
Loans repaid		(45,798)	-
	R Patterson (Appointed April 2022)		
Net cash flows from financing activities		<u>(45,798)</u>	<u>94,000</u>
Net increase/(decrease) in cash and cash equivalents		<u>(384,639)</u>	<u>926,818</u>
Cash and cash equivalents at the beginning of the year		1,902,491	975,673
Cash and cash equivalents at the end of the year		<u>1,517,852</u>	<u>1,902,491</u>
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		1,517,852	1,902,491
Bank overdrafts		-	-
Cash and cash equivalents		<u>1,517,852</u>	<u>1,902,491</u>

The Swanage Railway Trust
Notes to the Consolidated Cashflow Statement
For the Year Ended 31 January 2023

1 Cash flows from operating activities

	2023	2022
	£	£
Net Surplus/(Deficit)	(224,537)	648,770
Adjustment for;		
Depreciation charges	186,333	167,916
Reclassification of tangible fixed assets	-	45,997
Gains/(Losses) on revaluation of investments	(1,100)	1,046
Investment income	(1,857)	(75)
Interest paid	8,624	6,000
Impairment losses	-	-
(Gain)/loss on disposal of fixed assets	12,110	172
Cash flows before movement in working capital	(20,427)	869,826
(Increase) / Decrease in stock	(10,818)	18,067
(Increase) / Decrease in debtors	(284,223)	143,124
Increase / (Decrease) in creditors	334,306	24,411
Cash generated by operations	18,838	1,055,428

2 Analysis of changes in net debt

	At 1 Feb 2022	Cash flows	At 31 Jan 2023
	£	£	£
Cash and cash equivalents			
Cash at bank and in hand	1,902,491	(384,639)	1,517,852
Debt			
Falling due within one year	(59,167)	9,167	(50,000)
Falling due after one year	(198,833)	(8,369)	(207,202)
	1,644,491	(383,841)	1,260,650

**The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023**

1. ACCOUNTING POLICIES

1.0 Legal form

The Swanage Railway Trust Limited, a public benefit company under FRS 102, is incorporated as a Company limited by guarantee, registered in England and Wales (company number 4115126). The registered office address is on page 3 of these accounts. The company is also a registered charity in England (charity number 1087318).

The Swanage Railway Company Limited is incorporated as a Company limited by shares, registered in England and Wales (company number 01412568). The registered office address is on page 3 of these accounts.

1.1 Basis of preparation

The Financial statements have been prepared under the historical cost convention as modified by the revaluation of the locomotives and rolling stock and are in accordance with Financial Reporting Standard 102, the Companies Act 2006 and the Charities Accounting Statement of Recommended Practice (SORP FRS 102).

1.2 Basis of Consolidation

The consolidated accounts present the financial statements of The Swanage Railway Trust and its subsidiary the Swanage Railway Company Limited as if they formed a single entity. Intercompany transactions and balances have therefore been eliminated in full.

1.3 Incoming Resources

Membership income:

Annual subscriptions from members are included in full in the year they are received. Life membership subscriptions are credited to the life membership account and from there to income in equal annual instalments over ten years.

Voluntary income and donations:

All voluntary income and donations are accounted for gross when received. Due to the nature of donations and fund raising income the directors have no control over this until received and entered into the records.

Trading income:

Income from the subsidiary trading company is included in the period in which it is generated.

Legacy income:

Legacy income is recognised at the earlier of the charity being notified or the legacy being received.

Government Grants:

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

1.4 Resources Expended

All resources expended are classified under activity headings that aggregate all costs related to the category.

- Cost of generating funds comprises the costs of fundraising and trading activities.
- Charitable activities include the costs incurred directly in the fulfillment of the Charity's objectives.
- Governance costs represent those costs of the strategic management of the charity and of complying with constitutional and statutory requirements.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

1. ACCOUNTING POLICIES - continued

1.4 Resources Expended (continued)

Liabilities are recognised as resources expended once there is a legal or constructive obligation to make a payment to a third party.

All expenditure is included in the Statement of Financial Activities on an accruals basis net of recoverable VAT.

1.5 Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

1.6 Tangible Fixed Assets

Fixed assets are included at cost or valuation. Expenditure on repairs and renewals and minor items of equipment is written off in the year in which it is incurred.

Freehold land is not depreciated.

1.7 Heritage Assets

Part of the Objectives of the Trust is to acquire, restore, preserve and manage heritage locomotives and rolling stock. These assets are included in the accounts of the Trust at valuation and are not subject to an annual depreciation charge, as in the opinion of the directors the nature of the assets concerned and the level of maintenance is such that there is no significant annual depreciation. Any permanent diminution in the value of such assets is charged to the Consolidated Statement of Financial Activities when recognised in accordance with FRS 102.

Detailed information on the locomotives and rolling stock of the Trust and its subsidiary company can be found at www.swanagerailway.co.uk.

1.8 Infrastructure, plant and equipment

Infrastructure, plant and equipment is stated in the balance sheet at cost less accumulated depreciation.

Depreciation is calculated to write off the cost of the assets concerned on either a straight line basis or a reducing balance basis over their estimated useful lives at the following rates:-

Plant and machinery;
Fixtures and fittings, plant and equipment – 20% Reducing balance
Computer equipment – 25% Straight line
Motor vehicles – 10% Straight line
Rolling stock – Not depreciated
Furniture – 20% Straight line

Fixtures and equipment – 20% Straight line

Permanent way – 2% Straight line
Buildings and railway structures – 4% Straight line

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

1. ACCOUNTING POLICIES - continued

1.9 Impairment of Fixed assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of financial activities as described below.

An Asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, that estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

1.10 Stocks

Stocks are valued at the lower of cost or net realisable value.

1.11 Investments

All investments in locomotive preservation groups are stated at cost.

Investment in the Trust's subsidiary company the Swanage Railway Company Limited is stated at cost. Investments in listed entities are measured at market value at the year end. The listed investments were gifted to the Trust as part of a legacy in previous years and are held to earn investment income. The Trust has no plans or policies in place for further investment in listed entities.

1.12 Fund accounting

Unrestricted funds are available to use to further any of the purposes of the charity, at the discretion of the trustees.

Designated funds are unrestricted funds of the charity which have been set aside by the trustees to fund particular activities of the charity.

Restricted funds are donated for particular areas of the charity work or specific projects undertaken. Restrictions arise when specified by the donor, by the trust deed or when funds are raised for particular restricted purposes.

1.13 Financial instruments

Financial instruments are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument.

Basic financial assets;

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at a market rate of interest.

Basic financial liabilities;

Basic financial liabilities, including trade and other payables, bank loans, and loans from group companies are initially recognised at transaction price. Financial liabilities due in more than one year are initially measured at transaction price and subsequently measured at amortised cost using the effective interest method.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

1. ACCOUNTING POLICIES - continued

1.13 Financial instruments (continued)

Financial liabilities constituting financing transactions are initially measured at the present value of the future payments discounted at a market rate of interest.

Derecognition of financial assets and liabilities;

Financial assets and liabilities are derecognised when the Group's contractual rights or obligations expire or are discharged, transferred or cancelled.

1.14 Significant judgement and estimates

In the application of the group's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are areas that are considered to be key sources of estimation uncertainty, there are no significant judgements to note.

Useful life and residual values of tangible fixed assets;

The economic useful life of tangible fixed assets and the expected residual value on future disposal is estimated by the Directors based on their knowledge and experience. The total carrying value of fixed assets at 31 January 2023 was £5,599,629.

1.15 Finance Leases

Finance leases are measured at the present value of future lease payments and interest is accrued using the sum of digits method.

1.16 Taxation

The Trust is a registered charity and as such is entitled to certain tax exemptions on surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

Deferred Taxation - Subsidiary only:

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

2. Incoming resources	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Total 2022 £
Voluntary income (Trust)				
Donations, legacies and covenants	65,776	107,190	172,966	236,501
Gift aid	15,274	6,141	21,415	37,650
Legacies	222,274	20,000	242,274	137,066
Grant income	-	1,929	1,929	23,505
Membership subscriptions	42,927	-	42,927	39,263
Fundraising and other income	21,306	-	21,306	24,501
Investment income	1,756	101	1,857	75
Total voluntary income from Trust	369,313	135,361	504,674	498,561
Activities for generating funds (Subsidiary Company)				
Heritage passenger fare income	2,338,563	R Patterson	2,338,563	1,991,913
Wareham fare income	-	-	-	-
Shop income	163,915	-	163,915	115,647
Catering income	123,053	-	123,053	51,810
Driver experience days	-	-	-	-
Other income	280,439	-	280,439	191,217
Insurance claims	-	-	-	-
Revenue grants	(12,251)	-	(12,251)	470,362
Government grants	-	-	-	58,252
Total income from activities in subsidiary company	2,893,719	-	2,893,719	2,879,201
Total consolidated incoming resources	3,263,032	135,361	3,398,393	3,377,762

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

3. Subsidiary results

The Trust discharges its charitable objectives through its subsidiary the Swanage Railway Company Limited, a company incorporated in the UK. A summary of the trading results including intergroup trading is set out below. Audited accounts are filed with Companies House.

	2023	2022
	£	£
Turnover	2,981,420	3,032,881
Cost of sales	<u>(1,438,024)</u>	<u>(789,069)</u>
Fixtures and equipment – 20% Straight line	1,543,396	2,243,812
Administrative expenses	<u>(1,927,913)</u>	<u>(1,689,843)</u>
Operating profit	(384,517)	553,969
Government grants	-	58,252
Interest payable	(8,624)	(12,534)
Interest receivable	186	23
Other income	-	-
Net profit/ (loss) on ordinary activities	<u>(392,955)</u>	<u>599,710</u>
Less: Deferred taxation	108,132	(142,403)
Retained profit/(loss) for the year	<u>(284,823)</u>	<u>457,307</u>
Net assets	<u>1,196,678</u>	<u>1,589,633</u>

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

4 Comparative Consolidated Statement of Financial Activities

	Notes	Unrestricted 2022	Restricted 2022	Total 2022	Total 2021
		£	£	£	£
Incoming Resources					
Voluntary Income:					
Appeals, donations, legacies and covenants		214,156	197,461	411,617	747,283
Grant income		469,962	23,505	493,467	5,400
Activities for generating funds:					
Membership subscriptions		39,263	-	39,263	38,414
Fund raising and other income		24,501	-	24,501	24,297
Trading income		2,350,587	-	2,350,587	996,060
Investment income		69	6	75	1,043
Government grants		58,252	-	58,252	295,668
Total Incoming Resources	2	3,156,790	220,972	3,377,762	2,108,165
Resources Expended					
Cost of generating funds					
Trading expenses		2,543,271	-	2,543,271	3,091,890
Fundraising costs		8,952	-	8,952	24,116
Charitable activities		155,731	21,038	176,769	197,383
Total Resources Expended	5	2,707,954	21,038	2,728,992	3,313,389
Net Incoming Resources		448,836	199,934	648,770	(1,205,224)
Provision for deferred taxation		(142,403)	-	(142,403)	-
Revaluation adjustment		1,046	-	1,046	(2,879)
Transfers between funds		-	-	-	-
Net movement in funds		307,479	199,934	507,413	(1,208,103)
Funds at 1 February 2021		5,432,811	573,524	6,006,335	7,214,438
Funds at 31 January 2022	14,15	5,740,290	773,458	6,513,748	6,006,335

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

5. Total Resources Expended

	Premises & railway running costs £	Admin, salaries and other £	Dep'n £	Total 2023 £	Total 2022 £
Charitable Activities:					
Rent	102,864	-	-	102,864	77,951
Rates & utilities	15,920	-	-	15,920	12,079
Printing & stationery	-	28,673	-	28,673	33,878
Repairs & other	18,234	36,793	6,834	61,861	44,567
Auditors remuneration (audit)	-	5,748	-	5,748	3,948
Auditors remuneration (non audit)	-	6,477	-	6,477	4,206
Other legal and professional	-	973	-	973	140
Total charitable activities	137,018	78,664	6,834	222,516	176,769
Costs of generating funds:					
Fundraising costs	-	5,720	-	5,720	8,952
Trading costs (subsidiary only)	1,904,687	1,327,934	174,324	3,406,945	2,543,271
Total cost of generating funds	1,904,687	1,333,654	174,324	3,412,665	2,552,223
Total resources expended	2,041,705	1,412,318	181,158	3,635,181	2,728,992

Included under trading costs, above, are £9,275 (2022: £7,590) of fees paid to the auditor of the subsidiary's financial statements of which £6,860 (2022: £5,160) were for audit services.

6. Staff costs

	Trust and Subsidiary	
	2023 £	2022 £
Wages and salaries	982,602	799,454
Social security costs	83,964	64,520
Pension costs	16,243	14,497
	<u>1,082,809</u>	<u>878,471</u>

The Swanage Railway Company Limited had 39 (2022: 37) employees at the year end, excluding directors. All staff members are employed by Swanage Railway Company Limited.

None of the directors of The Swanage Railway Trust or Company received any remuneration for their services. Expenses were reimbursed to the directors during the year for out of pocket expenses incurred in accordance with their duties as directors. During the year ended 31 January 2023, two trustees were reimbursed amounts totalling £nil (2022: £30) for travel expenses.

Key Management Personnel salaries for the year to 31 January 2023 was £247,908 (2022: £224,006).

The Swanage Railway Trust and the Swanage Railway Company Limited are both heavily reliant on volunteer staff in all areas of their activities.

There were no employees with emoluments above £60,000 in the Swanage Railway Company or Swanage Railway Trust.

The Swangage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

7. Tangible fixed assets

	Subsidiary			Total Company	Trust			Total	
	Plant and Buildings	Machinery and Fittings and Equipment	Shop and Permanent Way and Other Assets Under Construction		Freehold Land and Buildings	Heritage Assets	Machinery and Equipment		Plant and Assets Under Construction
£	£	£	£	£	£	£	£	£	
Cost									
At 1 Feb 2022	911,387	1,100,912	3,387	5,869,461	30,000	144,465	987,047	1,199,295	7,068,756
Additions	-	165,370	-	175,113	-	3,506	189,515	214,523	389,636
Disposals	-	(22,365)	-	(57,365)	-	-	-	-	(57,365)
Reclassification	-	39,796	-	(39,796)	-	-	-	-	-
As 31 Jan 2023	911,387	1,031,634	3,387	5,987,209	30,000	147,971	1,176,562	1,413,818	7,401,027
Depreciation									
At 1 Feb 2022	379,242	-	745,153	1,564,877	-	36,731	-	66,442	1,631,319
Charge for the year	35,998	-	105,951	179,498	-	5,998	-	6,835	186,333
Eliminated on disposal	-	-	(13,046)	(16,254)	-	-	-	-	(16,254)
At 31 Jan 2023	415,240	-	838,058	1,728,121	-	42,729	-	73,277	1,801,398
Net Book Value									
At 31 Jan 2023	496,147	1,031,634	445,655	4,259,088	30,000	105,242	1,176,562	1,340,541	5,599,629
At 31 Jan 2022	532,145	1,031,634	355,759	4,304,584	30,000	107,734	987,047	1,132,853	5,437,437

Heritage Assets are all included at historical cost.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

7. Tangible fixed assets (Continued)

The group continues to acquire new heritage assets in accordance with its acquisitions policy. In the last five years, acquisitions have been made as follows:

Heritage Assets	2023	2022	2021	2020	2019
	£	£	£	£	£
Additions - Funded	189,515.00	165,370.00	245,000	212,067	201,508
Additions - Donated	-	-	-	-	-
Disposals (net book value)	-	(1,500)	(250)	(32,500)	(181,533)
Proceeds from disposals	-	-	-	-	34,000
Impairment to Heritage assets	-	(350)	(37,003)	-	-

8. INVESTMENT IN THE SWANAGE RAILWAY COMPANY LIMITED (company number 01412568)

The Trust discharges part of its charitable objectives through its subsidiary, the Swanage Railway Company Limited, which operates the Swanage Railway and undertakes the associated trading activities.

The share structure of the Swanage Railway Company Limited is such that The Swanage Railway Trust is the only shareholder who can hold voting shares in the Company. The effect of this structure is that The Swanage Railway Trust controls the Swanage Railway Company Limited. The trust owns 96% of the issued share capital of The Swanage Railway Company Limited.

An extract of the subsidiary's income statement is in note 2 to these accounts.

An extract from the Balance Sheet of the Swanage Railway Company Limited at 31 January 2023 is as follows:-

	2023	2022
	£	£
Fixed assets	4,259,090	4,304,585
Current assets	284,883	656,003
Current liabilities	(780,067)	(603,854)
Total assets less current liabilities	3,763,906	4,356,734
Creditors due in more than one year	(2,426,208)	(2,624,698)
Provisions for liabilities	(34,272)	(142,403)
	<u>1,303,426</u>	<u>1,589,633</u>
Called up share capital - owned by trust see page 18	470,605	470,605
Called up share capital - owned by members	16,358	16,358
Revaluation reserve	371,202	371,202
Profit and loss account	445,261	731,468
	<u>1,303,426</u>	<u>1,589,633</u>

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

9. INVESTMENTS IN LISTED ENTITIES

	£
Market value at 1 February 2022	4,586
Additions	-
Disposals	-
Net investment (losses)/gains	(1,100)
Market value at 31 January 2023	<u>3,486</u>

10. STOCKS

	Trust and Subsidiary		Trust	
	2023	2022	2022	2021
	£	£	£	£
Shop stocks for resale	29,774	21,314	-	-
Fixtures and equipment – 20% Straight line	4,863	3,763	-	-
Consumable stocks	47,578	44,582	-	-
Special events stock	1,666	3,488	-	-
Driver experience	173	90	-	-
	-	-	-	-
	<u>84,054</u>	<u>73,237</u>	-	-

11. DEBTORS AND PREPAYMENTS

	Trust and Subsidiary		Trust	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	26,359	18,405	4,014	26
Loan to the Swanage Railway Company Limited	-	-	135,719	135,719
Other debtors	276,267	69,435	276,269	34,000
Prepayments and accrued income	46,448	14,943	13,629	2,877
VAT	37,932	-	15,331	-
	<u>387,006</u>	<u>102,783</u>	<u>444,962</u>	<u>172,622</u>

The total amount outstanding on the Winter Loan from Swanage Railway Trust Limited to Swanage Railway Company Limited at 31 January 2023 was £nil (2022: £nil).

Interest is charged at 1.5% above the banks base lending rate and the amount of interest charged in the year was £nil (2022 - £6,534).

At 31 January 2023, there was an other debtor of £135,719 (2022: £135,719) due from Swanage Railway Company Limited to Swanage Railway Trust.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

12. CREDITORS AND ACCRUALS

	Trust and Subsidiary		Trust	
	2023	2022	2023	2022
Due within one year	£	£	£	£
Trade creditors	596,617	191,663	326,015	149,856
Taxation and social security	29,375	19,996	-	-
Bank loans	50,000	54,167	-	-
Members loans	-	5,000	-	5,000
Life membership equalisation account	11,700	10,000	11,700	10,000
Other creditors, accruals, deferred income	189,635	248,848	23,526	49,257
	<u>877,327</u>	<u>529,674</u>	<u>361,241</u>	<u>214,113</u>

Deferred income relates to ticket sales in advance for events taking place after the year end.

	Trust and Subsidiary		Trust	
	2023	2022	2023	2022
Due more than one year	£	£	£	£
Members Loans	53,000	3,000	53,000	3,000
Bank loans	154,202	195,833	-	-
Life membership equalisation account	51,458	47,858	51,458	47,858
Other creditors and accruals	25,525	88,018	2,124	2,218
	<u>284,185</u>	<u>334,709</u>	<u>106,582</u>	<u>53,076</u>

13. LIFE MEMBERSHIP

LifeTime membership subscriptions are credited to the accounts and released over ten years.
The movements during the year were:-

	2023	2022
	£	£
Ordinary Life, Lifetime Travel and Premier Life Memberships brought forward	57,858	61,858
New memberships in the year	17,000	6,000
Premier life memberships released over 10 years	-	-
Life member subscriptions released over 10 years	(11,700)	(10,000)
Balance of life memberships at close of year	<u>63,158</u>	<u>57,858</u>
Shown in:-		
Creditors under 1 year	11,700	10,000
Creditors over 1 year	<u>51,458</u>	<u>47,858</u>
	<u>63,158</u>	<u>57,858</u>

Both Premier Life Membership and Ordinary Life membership have now closed to new applicants. The Life Time Travel Membership continues.

The Swanage Railway Trust
Notes to the Consolidated Accounts
For the Year Ended 31 January 2023

14. FUNDS

The balance of the unrestricted fund may be reconciled as follows:-

	Opening balance at 1 February 2022 £	Incoming Resources £	Expenditure £	Transfers £	Gains/ (losses) on revaluation £	Closing balance at 31 January 2023 £
General funds - Charity	1,528,879	431,037	(232,467)	(224,762)	(1,100)	1,501,587
Designated funds for;						
Restoration	69,650	14,081	(3,061)	(10,935)	-	69,735
Other capital expenditure	64,307	-	(26,540)	20,697	-	58,464
Other projects	68,805	-	(162)	-	-	68,643
4TC designated	18,323	-	-	-	-	18,323
T3 Restoration	118,052	-	(1,420)	(2,983)	-	113,649
Carriage shed	207,605	-	-	-	-	207,605
Strategic reserves	50,000	-	-	200,000	-	250,000
Governance review	-	-	-	15,000	-	15,000
Total designated	596,742	14,081	(31,183)	221,779	-	801,419
Restricted funds;						
Museum Group	152,227	44,882	(33,818)	-	-	163,291
Swanage 4TC Group	239,137	7,772	-	-	-	246,909
T3 Restoration	305,576	104,091	-	2,983	-	412,650
Carriage shed	76,518	-	(4,121)	-	-	72,397
Total restricted	773,458	156,745	(37,939)	2,983	-	895,247
Total Charity Funds	2,899,079	601,863	(301,589)	-	(1,100)	3,198,253
General funds - Company	3,243,467	2,808,782	(3,225,460)	-	-	2,826,789
Revaluation reserve	371,202	-	-	-	-	371,202
Total - Consolidated	6,513,748	3,410,645	(3,527,049)	-	(1,100)	6,396,244

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14. FUNDS - comparative note

The balance of the unrestricted fund may be reconciled as follows:-

	Opening balance at 1 February 2021 £	Incoming Resources £	Expenditure £	Transfers £	Gains/ (losses) on revaluation £	Closing balance at 31 January 2022 £
General funds - Charity	1,800,383	327,518	(383,088)	(216,980)	1,046	1,528,879
Designated funds for;						
Restoration	67,406	12,195	(9,951)	-	-	69,650
Other capital expenditure	89,552	-	(2,098)	(23,147)	-	64,307
Other projects	69,337	-	(532)	-	-	68,805
4TC designated	18,323	-	-	-	-	18,323
T3 Restoration	23,052	-	-	95,000	-	118,052
Carriage shed	112,478	-	-	95,127	-	207,605
Strategic reserves	-	-	-	50,000	-	50,000
Total designated	380,148	12,195	(12,581)	216,980	-	596,742
Restricted funds;						
Museum Group	131,692	37,962	(17,427)	-	-	152,227
Swanage 4TC Group	222,277	18,435	(1,575)	-	-	239,137
T3 Restoration	219,555	87,468	(1,447)	-	-	305,576
Carriage shed	-	77,107	(589)	-	-	76,518
Total restricted	573,524	220,972	(21,038)	-	-	773,458
Total Charity Funds	2,754,055	560,685	(416,707)	-	1,046	2,899,079
General funds - Company	2,881,078	2,817,077	(2,454,689)	-	-	3,243,467
Revaluation reserve	371,202	-	-	-	-	371,202
Total - Consolidated	6,006,335	3,377,762	(2,871,396)	-	1,046	6,513,748

The designated funds for purposes as described above are designated and reviewed annually by the Council of Management. Incoming resources are received into the general fund and are subsequently reallocated to the designated funds at the discretion of the directors.

The revaluation reserve is in respect of Heritage Assets and Listed Fixed Asset Investments.

Included within general funds is £16,378 of share capital representing non voting shares in Swanage Railway Company Limited which are owned by members of the company. The funds raised on issue of the shares were included in unrestricted income and are not due back to shareholders. Minority shareholders have no entitlement to profit.

Transfers have been made from restricted funds to general funds to account for grants that have been fully expended on fixed assets in line with the restriction. The original restriction is therefore released on these funds.

The purpose of each of the restricted funds is as follows:-

- Museum Group – donations towards the upkeep and development of the Museums at Norden and Corfe
- The Swanage 4TC Group – fundraising for and restoration of a 4TC unit to be based at Swanage to provide a push-pull set working with a Class 33/1 diesel electric locomotive

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15. RECONCILIATION OF TOTAL FUNDS TO NET ASSETS

	Fixed Assets	Bank	Current Assets	Creditors <1year	Creditors >1year	Total
	£	£	£	£	£	£
General funds	4,571,623	481,475	405,092	(724,718)	(284,185)	4,449,287
Designated funds	9,837	791,582	-	-	-	801,419
Restricted funds	650,452	244,795	65,969	(186,881)	-	895,247
Revaluation	371,202	-	-	-	-	371,202
	<u>5,603,114</u>	<u>1,517,852</u>	<u>471,061</u>	<u>(911,599)</u>	<u>(284,185)</u>	<u>6,396,243</u>

15. RECONCILIATION OF TOTAL FUNDS TO NET ASSETS - comparative

	Fixed Assets	Bank	Assets	Liabilities	Total
	£	£	£	£	£
General funds	4,410,532	1,004,954	175,888	(819,905)	4,771,469
Designated funds	9,837	586,905	-	-	596,742
Restricted funds	650,452	310,632	132	(186,881)	774,335
Revaluation	371,202	-	-	-	371,202
	<u>5,442,023</u>	<u>1,902,491</u>	<u>176,020</u>	<u>(1,006,786)</u>	<u>6,513,748</u>

16. FINANCIAL COMMITMENTS

The group is committed to paying the following remaining lease payments on non-cancellable operating leases;

	Trust and Subsidiary		Trust	
	2023	2022	2023	2022
	£	£	£	£
Lease expiring				
-in under 1 year	296,501	296,501	19,506	22,757
-after 1 year but within 5 years	1,487,207	1,482,505	-	-
-after 5 years	5,078,587	5,375,087	-	-
	<u>6,862,295</u>	<u>7,154,093</u>	<u>19,506</u>	<u>22,757</u>

Locomotive hire agreements

a) The Swanage Railway Trust's trading subsidiary, Swanage Railway Company Limited, utilises the motive power and engineering support provided by Southern Locomotives Engineering Limited for which there is an agreement under which Swanage Railway Company Limited pays a fixed amount each year. As detailed in Note 17, a number of the directors of The Swanage Railway Trust and the directors of the trading subsidiary are also shareholders in Southern Locomotives Limited, the holding company of Southern Locomotives Engineering Limited.

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16. FINANCIAL COMMITMENTS - continued

The amount billed in respect of the year to the trading subsidiary by Southern Locomotives Hire Limited was £151,550 (2022 - £97,068). At the year end, an amount of £12,000 (2022: £nil) was owed to Southern Locomotives Hire Limited.

b) The Swanage Railway Trust's trading subsidiary, Swanage Railway Company Limited, utilised the locomotive power provided by JMB Locomotive Services. The amount invoiced by JMB Locomotive Services to the trading subsidiary for the supply of motive power in respect of the year was £154,440 (2022: £78,000). A total of £28,080 was the outstanding balance at the year end (2022: £9,360).

17. PROVISIONS FOR DEFERRED TAXATION

The Swanage Railway Company, the subsidiary of The Swanage Railway Trust produced a net loss before taxation of £392,955 for the year ending 31 January 2023.

A deferred tax liability of £34,272 has been calculated as a result of timing differences and has been accounted for as a liability in the Company's entity level accounts. This year the deferred tax liability has reduced by £108,132. This is due to the tax losses incurred in the period having an affect on the deferred liability calculation. The calculation has been disclosed in the Company's accounts for the year ended 31 January 2023, a copy of the Swanage Railway Company Limited's financial statements are publicly available from Companies House.

18. RELATED PARTY TRANSACTIONS

Swanage Railway Company Limited is a 96% owned subsidiary of Swanage Railway Trust.

The total amount outstanding on loans made to the company by Swanage Railway Trust at 31 January 2023 was £135,719 (2022: £135,719).

Interest is charged on the above loans at 1.5% above the Bank of England base rate. Interest charged in the year to 31 January 2023 was £nil (2022: £6,534).

Four Trustees of the Swanage Railway Trust have a shareholding in the parent of a Locomotives group which Swanage Railway group use as a supplier. During the year ended 31 January 2022, Swanage Railway Company (a subsidiary of Swanage Railway Trust) made payments totalling £151,550 (2022: £97,068) to this supplier and there was £12,000 outstanding at the year end (2022: £nil). These transactions were made with Swanage Railway Company, a member of the group.

Trustees donated amounts totalling £300 (2022:£1,225) of which £300 was donated towards the T3 appeal. The remaining donations were without conditions.